

INSTRUCTIONS FOR USE OF WESTERN STATES REGIONAL REVIEW

I. Introduction

Regional review is a coordinated file review process for companies filing for the Small Corporate Offering Registration (“SCOR”) or filing under Regulation A in two or more of the following states: Alaska, Arizona, California¹, Colorado, Idaho, Oregon, Utah and Washington. It is a process that allows a company to file an application for registration and to receive consolidated comments through one lead state selected by the states in which the applicant filed.

In some limited circumstances, a particular issue may prevent the application from being approved in a state based upon the laws or rules of that state. In those circumstances, the lead state will notify the company that it must work directly with that state(s) to resolve the problem.

II. Qualifications for the Use of Regional Review

A company must comply with each of the following requirements to qualify for use of Regional Review:

1. The company must file for either SCOR or Regulation A.
2. The company must utilize the Question and Answer Form generally referred to as U-7 or Offering Circular Model A of Regulation A.
3. The company must complete and submit the Western Regional Review Application Form to two or more of the states participating in Regional Review. All documents must be filed in all states in which the company intends to offer its securities. The Western Regional Review Application Form does not replace the state application for registration.
4. For SCOR offerings, the offering price for common stock (and the exercise price, if the securities are options, warrants or rights for, and the conversion price if the securities are convertible into common stock) must be equal to or greater than \$1.00 per share, although those issuers who intend to register in California should be aware that a \$2.00 minimum price is required.

¹ California is participating in regional review for Regulation A filings only.

III. Substantive Standards

The applications filed under Regional Review will be examined for full disclosure and for compliance with certain substantive standards. Although the states will make every effort to apply uniform standards to each application, there may be substantive standards in a particular state, which if not complied with, may be grounds for denial of the application. Such standards include, but may not be limited to, the issuer's failure to make an adequate minimum equity investment in the company, excessive offering expenses, failure to demonstrate an ability to service debt, and failure to demonstrate that the minimum offering can sustain the issuer's business for the subsequent 12 month period. The issuer may have to address questions regarding these substantive issues with an individual state.

All stock escrows and impound accounts that may be required must be made at a depository institution in the lead state.

IV. Agent Licensure

Securities registered under the Regional Review program may have to be sold by securities agents licensed to sell in each state in which he or she is selling. See attached matrix for details of the requirements in each state of the region.

WESTERN REGIONAL REVIEW APPLICATION FORM

Name of Company

1. States in which the company intends to file for purposes of regional review: *Please check applicable boxes.*

- ☐ Alaska
- ☐ Arizona
- ☐ California²
- ☐ Colorado
- ☐ Idaho
- ☐ Oregon
- ☐ Utah
- ☐ Washington

2. Type of filing: *Please check*

- ☐ Small Corporate Offering Registration
- ☐ Regulation A filed on the Question and Answer Form Model A.

I request that my filing in the states indicated above be processed as a regional review filing.

I waive automatic effectiveness in the above named states.

I attest that all filings and amendments will be identical in each of the states identified above.

I understand that the securities to be registered must be sold by an agent that is either registered or exempt from registration. I agree not to allow sales by agents that have not been registered or are not exempt in the state in which they are selling.

Chief Executive Officer

² California is participating in regional review for Regulation A filings only.

Print _____
Name